

DMA ADMINISTRATIVE LETTER NO: 07-19, SOCIAL SECURITY AND VA COST-OF-LIVING ADJUSTMENT

DATE: November 1, 2019

SUBJECT: Social Security Cost-of-Living Adjustment (COLA) and Veterans Affairs Cost-Of-Living Increase

DISTRIBUTION: County Directors of Social Services
Medicaid Eligibility Staff

I. SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)

The Social Security Act provides for an automatic increase when there is an increase in inflation as measured by the Consumer Price Index (CPI). Based on the increase in the CPI from the third quarter of 2018 through the third quarter of 2019, there will be a 1.6 percent increase in COLA for 2020.

A. Retirement Survivor Disability Insurance (RSDI) / Supplemental Security Income (SSI)

Beneficiaries of RSDI and/or SSI will receive a 1.6 percent cost-of-living increase in the January 2020 payment.

B. SSI Federal Benefit Rates (FBR)

	Individual	Couple	Essential Person
Full FBR	\$783.00	\$1,175.00	\$392.00
1/3 Reduced	\$522.00	\$ 783.00	

C. Veterans Administration (VA) Benefits

Under federal law, the cost-of-living adjustments to VA's compensation and pension rates are the same percentage as for Social Security benefits. Beneficiaries of Veterans Benefits will receive a 1.6 percent increase for 2020.

II. COLA REPORTS

The COLA reports will be available no later than Monday, December 2, 2019. These reports will be accessible on FAST Help under: Reports > Economic Services Reports > Mass Change > RSDI/SSI/VA COLA Reports – December 2019 > Medicaid Reports.

- A. **MA Exceptions Report** identifies Medicaid cases that have potentially been impacted by COLA. Caseworkers will need to use this report to review the 'On Hold' changed decisions and take appropriate action. NCF-20030 notices were mailed for these cases.
- B. **MA Deductible Report** identifies any Medicaid cases with a deductible that have been impacted by COLA. Caseworkers use this report to verify the changed deductible and follow up with the beneficiary to determine if the new deductible can be met. NCF-20030 notices were mailed for these cases.
- C. **MA Ineligible Report** identifies any Medicaid cases that are potentially terminating due to the COLA increase. The DSS-8110, Notice of Modification, Termination, Continuation of Public Assistance, was mailed for these cases. Caseworkers will need to complete a review to determine ongoing eligibility in another coverage category.
- D. **MA Processed Report** identifies the Medicaid cases where COLA was the only change. These cases had a system accepted changed decision. The DSS-8110 notice and the DMA-5016, Notification of Eligibility for Medicaid/Amount and Effective Date of Patient's Liability, notice (if facility information was available) were mailed for these cases. Caseworkers will need to use this report to identify cases with a patient monthly liability (PML) change that did not have a DMA-5016 generated due to missing facility information. Send a DSS-8110 as well as a DMA-5016 to these identified cases.

III. PENDING APPLICATIONS

- A. Pending Insurance Affordability Applications and Income Support Applications that are not associated with an Income Support case with an active product delivery case (PDC) were **not** updated by NC FAST. Caseworkers need to manually update the evidence in these applications to reflect the new RSDI/SSI/VA benefit amount effective January 1, 2020 prior to processing the application.
- B. The Federal Poverty Level (FPL) is used in determining eligibility for all Aged, Blind and Disabled (MAABD) and Qualified Medicare Beneficiary (MQB) applications. As such, counties will continue to use the 2019 FPL until the April 1, 2020 FPL change.

IV. EFFECTIVE DATE OF CHANGE AND IMPLEMENTATION

Social Security Cost-Of-Living Adjustment (COLA) is effective January 1, 2020.

If you have questions regarding information in this letter, please contact your [Medicaid Operational Support Team Representative](#).

DocuSigned by:

Dave Richard

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Dave Richard
Deputy Secretary, NC Medicaid